

Assumption Chart

Assumption of an FHA-insured mortgage is a servicing function where the responsibility of the mortgage is acquired by another person through either Simple or Creditworthiness process.

Individuals may assume mortgages originated prior to December 1, 1986, by utilizing the "Simple Assumption" process. For those mortgages originated on December 1, 1986 and thereafter, HUD placed certain restrictions on the assumption of those FHA-insured mortgages and those mortgages have to go through the Creditworthiness Assumption process.

Please refer to the Assumption Chart to acquire: 1) Mortgage Original Closing Date, 2) Owner-Occupancy Requirement, and/or 3) Investor Limitation.

TYPE OF ASSUMPTION	MORTGAGE ORIGINAL CLOSING DATE	OWNER-OCCUPANCY REQUIREMENTS	INVESTOR LIMITATION
REQUIRED CREDITWORTHINESS REVIEW	12-1-86 thru 12-14-89	12 Months	24 Months
	After 12-14-89	Life of Mortgage	N/A – Cannot be assumed by an Investor
RELEASE OF LIABILITY (WITH REQUIRED CREDITWORTHINESS REVIEW)	12-1-86 thru 2-5-88*	12 Months	24 Months & Reduction to 75% Loan To Value Ratio
	2-6-88 thru 12-14-89		
	After 12-14-89	Life of Mortgage	N/A – Cannot be assumed by an Investor

*Mortgagees should note that some mortgages executed between December 1, 1986 and February 5, 1988, contain a requirement for creditworthiness review that is not enforceable. Mortgages from this period are freely assumable despite any restrictions stated in the mortgage. Refer to HUD Handbook 4330.1, REV-5, Paragraph 6-2.